

SUNVIC CHEMICAL HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200406502E)

**UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

Background

Sunvic Chemical Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on:

1. the watch-list under the minimum trading price entry criteria (“**MTP Criteria Watch-list**”) pursuant to Rule 1311(2) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 5 June 2018 as it recorded a volume-weighted average price of less than S\$0.20 and an average daily market capitalisation of less than S\$40 million over the last 6 months (“**MTP Entry Criteria**”); and
2. the watch-list under the financial entry criteria (“**Financial Criteria Watch-list**”) pursuant to Rule 1311(1) of the Listing Manual on 5 June 2018 as it recorded pre-tax losses for the three (3) most recently completed consecutive financial years (based on audited full year consolidated accounts) and an average daily market capitalisation of less than S\$40 million over the last 6 months (“**Financial Entry Criteria**”).

The Company remains on the MTP Criteria Watch-list and the Financial Criteria Watch-list (collectively referred to as the “**Watch-lists**”) as at the date of this announcement as the Company has not satisfied (i) the MTP exit criteria pursuant to Rule 1314(2) of the Listing Manual (the “**MTP Exit Criteria**”) and (ii) the financial exit criteria pursuant to Rule 1314(1) of the Listing Manual (the “**Financial Exit Criteria**”) (read with Practice Note 13.2 Watch-List).

The Company suspended the trading of its shares on the SGX-ST with effect from 9.00 a.m. (Singapore time) on 14 January 2019 as the Company is unable to demonstrate to the SGX-ST and its shareholders that it is able to continue as a going concern arising from the potential claims by Yixing City Futao Rural Micro Credit Co., Ltd and/or Bank of China Co., Ltd., Xiangshui County Sub-branch respectively in relation to the corporate guarantees provided to unrelated parties by the Company’s wholly-owned subsidiaries.

Please refer to Company's announcements released on 10 January 2019 and 11 January 2019 respectively for more details.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the "**Board**") wishes to provide an update on its efforts and the progress made in meeting the MTP Exit Criteria and the Financial Exit Criteria.

The Company's last update as required under Listing Rule 1313(2) was made by the Company in its announcement dated 4 June 2019.

Update on Financial Situation

Please refer to the Company's announcement released on 12 September 2019 in relation to the financial results for the second quarter ended 30 June 2019 ("**Period under Review**") for an update on the Group's financial position. For the Period under Review, the Group recorded a net loss after tax of approximately RMB94.3 million.

Update on Future Direction and Other Material Development

Please refer to the following announcements:

- (a) the Company's announcements dated 10 January 2019, 18 January 2019, 19 February 2019, 15 April 2019, 16 April 2019, 20 June 2019, 1 July 2019, 9 July 2019 and 10 July 2019 and in relation to the corporate guarantees provided to unrelated parties by the Company's wholly-owned subsidiaries;
- (b) the Company's announcement dated 11 January 2019 in relation to the suspension of trading of shares of the Company; and
- (c) the Company's announcements dated 4 February 2019, 14 June 2019 and 9 July 2019, in relation to the proposed disposal by Taixing Jurong Chemical Co., Ltd of 45% of the equity interest in Taixing Sunke Chemicals Co., Ltd to Arkema Asie SAS and Arkema (China) Investment Co., Ltd. On 15 July 2019, the shareholders of the Company had approved the aforesaid proposed disposal.

Update on Efforts for Satisfying MTP Exit Criteria and Financial Exit Criteria

The Board will continue to monitor the situation, make efforts and consider various options to meet the MTP Exit Criteria and the Financial Exit Criteria. At the opportune time, the Board will make a decision to the relevant options and employ an appropriate strategy that will best serve the interests of the Company's shareholders.

The Board wishes to inform shareholders that it is still determining the most appropriate and best course of corporate action to take in order to meet the MTP Exit Criteria and the Financial Exit Criteria. The Board will update the Company's shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

BY ORDER OF THE BOARD

Sun Xiao
Executive Director and Chief Executive Officer
12 September 2019